

**BEFORE THE NORTH CAROLINA UTILITIES COMMISSION
DOCKET NO. E-100, SUB 155**

In the Matter of:)	
Rulemaking Proceeding to Implement)	NCSEA’S INITIAL
G.S. 62-126.8)	COMMENTS

NCSEA’S INITIAL COMMENTS

The North Carolina Sustainable Energy Association (“NCSEA”), and intervenor in this proceeding, submits these initial comments in response to the *Order Initiating Rulemaking Proceeding* issued by the North Carolina Utility Commission (“Commission”) in this docket on August 30, 2017, as modified by the Commission’s *Order Granting Extension of Time* issued on October 24, 2017.

I. INTRODUCTION

As adopted by the General Assembly, G.S. 62-126.8 directs Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) to offer community solar energy facility programs to their customers. Subject to the various requirements of the statute and of the rules adopted by the Commission, each utility is to offer its community solar energy facility program to customers until the total nameplate generating capacity of those facilities equals twenty megawatts.

Community solar is new to North Carolina’s DEC and DEP, but it is not new to North Carolina and there are many resources that can provide guidance to the Commission in adopting rules to implement G.S. 62-126.8. North Carolina’s electric membership corporations and municipal power suppliers currently have numerous community solar projects under development or already operating. In addition, NCSEA notes that there are

model rules available that can serve as a basis for the Commission's rules governing community solar energy facility programs.¹

First and foremost, the rules adopted by the Commission should ensure that the community solar energy facility programs are in the public interest, as required by G.S. 62-126.8(e)(2). The statute makes clear that DEC and DEP should be able to recover reasonable costs associated with their community solar energy facility programs. *See*, G.S. 62-126.8(e)(1). However, the Commission needs to rectify cost recovery with the requirement of G.S. 62-126.8(e)(7) that nonparticipating ratepayers are to be held harmless and the requirement of G.S. 62-126.8(e)(2) that programs be in the public interest.

It is worth noting that there are numerous resources available to assist the Commission. NCSEA is a signatory to the *Solar for All* report, which includes several policy recommendations for community solar.² Specifically, the report recommends that community solar programs include incentives for low- to moderate-income ratepayers to participate in community solar, to give ratepayers the option to minimize upfront participation costs by allowing them to pay subscription fees over time, to combine community solar with other existing utility programs, including energy efficiency programs, to ensure that underserved communities benefit economically from the siting of community solar projects, to incorporate job training, and to allow participating ratepayers to take advantage of additional savings opportunities. While not all of these principles are

¹ See, INTERSTATE RENEWABLE ENERGY COUNCIL AND THE VOTE SOLAR INITIATIVE, MODEL RULES FOR SHARED RENEWABLE ENERGY PROGRAMS (2013), available at http://www.irecusa.org/wp-content/uploads/2016/08/Shared-Renewable-Model-Rules-revised_082214lp.pdf.

² SOUTHERN ENVIRONMENTAL LAW CENTER, ET AL., SOLAR FOR ALL: WHAT UTILITIES CAN DO RIGHT NOW TO BRING SOLAR WITHIN REACH FOR EVERYDAY FOLKS (2016), available at https://www.southernenvironment.org/uploads/words_docs/SolarForAll_InlineDoc_061716_Final.pdf.

within the Commission's purview, NCSEA believes that they can provide guidance to the Commission as it considers and adopts rules.

II. NCSEA'S RECOMMENDATIONS

The Commission is directed by G.S. 62-126.8 to address a number of items in their rules governing community solar energy facility programs. Beyond noting the resources that are available to assist the Commission in adopting rules to govern community solar energy facility programs, NCSEA wishes to provide specific feedback about certain aspects of the community solar energy facility programs. While NCSEA does not address all the items set forth in G.S. 62-126.8 in these initial comments, it may wish to address other aspects in its reply comments.

NCSEA believes that any community solar energy facility program should provide ratepayers with multiple options for participation. Three participation models have seen success in other jurisdictions: an upfront participation fee, an upfront participation fee financed across a specified timeframe, and a set monthly participation fee. NCSEA encourages the Commission to adopt rules governing community solar energy facility programs that ensure that all three options are available to North Carolina ratepayers. In addition, NCSEA believes that the rules adopted by the Commission should ensure the transferability of subscriptions.

Adopting customer-sited solar energy can be cost-prohibitive for many North Carolinians. One of the advantages of community solar is that it allows for the economies of scale enjoyed by larger solar installations to be passed on to consumers. However, even with these savings, clean energy adoption may still be out of reach of many low- to moderate-income North Carolinians. The community solar energy facility program

presents an excellent opportunity to provide low- to moderate-income North Carolinians with access to clean energy, and the Commission should strive to keep these ratepayers in mind when adopting rules governing the program. Many resources and examples are available to assist the Commission in adopting rules that would encourage participation in community solar energy facility programs by low- to moderate-income North Carolinians.³

NCSEA encourages the Commission to make clear in its rules that subscribers may keep their existing rate tariff when they opt to participate in a community solar energy facility program. Allowing subscribers to keep their existing rate tariff makes it more likely that customers will participate in the community solar energy facility programs and would be consistent with the Commission's approval of the NC GreenPower Program, which allowed participation in conjunction with any rate tariffs. *See, Order Approving Revised Program Plans and Utility Tariffs*, Docket No. E-100, Sub 90 (June 12, 2008).

The statute governing community solar energy facility programs contains geographic restrictions that require subscribers to be in the same county as, or in a county contiguous to the county containing, the community solar energy facility. This provision preserves the local aspect of community solar, but may be problematic as community solar energy facility programs are initially being deployed because facilities may not be near potential subscribers. Accordingly, G.S. 62-126.8(c) allows a utility to petition the Commission to waive the geographic requirements and the Commission to approve such a waiver for a facility located up to 75 miles from the county of the subscribers. NCSEA would encourage the Commission to include in its rules a provision for a utility to apply

³ See, e.g., INTERSTATE RENEWABLE ENERGY COUNCIL, SHARED RENEWABLE ENERGY FOR LOW- TO MODERATE-INCOME COMMUNITIES: POLICY GUIDELINES AND MODEL PROVISIONS (2016), available at http://www.irecusa.org/wp-content/uploads/2016/03/IREC-LMI-Guidelines-Model-Provisions_FINAL.pdf.

for the waiver, as this may be necessary before community solar energy facilities become more common throughout the utilities' service territories.

Finally, NCSEA would encourage the Commission to include reporting requirements in its rules governing community solar energy facility programs for two reasons. First, the programs are limited by statute to twenty megawatts per operating utility and customer participation is restricted geographically. Public reporting of the amount of generating capacity subscribed at facilities in their area would help ratepayers determine whether they can participate in the program offering. Second, having public reporting of subscription amounts would allow the Commission and the General Assembly to determine whether the community solar energy facility programs are successful.

III. CONCLUSION

While NCSEA does not propose rules in its initial comments, NCSEA hopes that the issues raised in these comments will be considered by the Commission in this proceeding and will be addressed in any rules adopted by the Commission.

Respectfully submitted, this the 6th day of November, 2017.

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CERTIFICATE OF SERVICE

I hereby certify that all persons on the docket service list have been served true and accurate copies of the foregoing Comments by hand delivery, first class mail deposited in the U.S. mail, postage pre-paid, or by email transmission with the party's consent.

This the 6th day of November, 2017.

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